
Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for December 2018

The following report contains preliminary monthly data – the final quarterly and annual production and sales results will be published in the forthcoming consolidated periodic report. Data of the KGHM Polska Miedź S.A. Group contain the results of Sierra Gorda reflecting the 55% share held by KGHM Polska Miedź S.A.

In the period January-December 2018, the production and sale of copper and silver by the KGHM Group was not substantially different from the amounts targeted in the budget.

The plan was not fully achieved in the case of the production and sales of precious metals (mainly by the Sudbury mines) as well as in the case of molybdenum production (both a lower amount of ore processed by the Sierra Gorda mine as well as a lower amount of molybdenum in ore extracted by this mine), alongside a molybdenum sales volume higher than targeted in the budget.

Production results of the KGHM Group in December 2018 yoy:

- **Payable copper production amounted to 57.7 thousand tonnes**, which was higher than the amount achieved in the comparable period of 2017 by 19%. The increase was in respect of KGHM Polska Miedź S.A. (mainly due to production from own concentrate) as well as KGHM International (higher production by all of the mines except for those of the Sudbury basin, where both copper content in mined ore and the level of recovery were lower compared to December 2017). Production of copper by Sierra Gorda was at the same level as in December 2017.
- **Silver production amounted to 122.1 tonnes**, or the same level as in December 2017.
- **TPM production amounted to 14.0 thousand troy ounces**. The decrease by nearly 25% compared to December 2017 was due to lower production by KGHM Polska Miedź S.A.
- **Molybdenum production amounted to 1.3 million pounds** and was slightly higher than in December 2017.

Sales by the KGHM Group in December 2018 yoy:

- **Sales of payable copper amounted to 67.2 thousand tonnes** and were comparable to sales of payable copper in December 2017 (+2%).
- **Sales of silver amounted to 101.7 tonnes** and were lower by 77.4 tonnes (-43%) compared to sales in December 2017. The main reason was lower sales of silver by KGHM Polska Miedź S.A.
- **TPM sales amounted to 16.9 thousand troy ounces** and were lower by 0.8 thousand troy ounces (-4%) compared to sales in December 2017. The main reason was lower production of gold by KGHM Polska Miedź S.A. compared to sales in 2017.

- **Molybdenum sales amounted to 1.5 million pounds** and were lower by 0.9 million pounds (-37%) compared to sales in December 2017. The reason was lower sales by Sierra Gorda.

KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 53.5 thousand tonnes** and were higher by 1.9 thousand tonnes (+4%). The difference was due to higher production of electrolytic copper in December 2018 compared to December 2017.
- **Sales of silver amounted to 99.1 tonnes** and were lower by 77.6 tonnes (-44%) compared to sales in December 2017. The difference was due to the schedule of orders by customers in the current year and to optimisation of inventories in specific months (sales of silver in November 2018 were higher than in November 2017).
- **TPM sales amounted to 7.7 thousand troy ounces** and were lower by 0.9 thousand troy ounces (-11%) compared to sales in December 2017. The difference was due among others to lower production compared to sales in the comparable period of 2017.

KGHM International:

- **Sales of copper amounted to 7.1 thousand tonnes** and were lower by 2.1 thousand tonnes (-22%) compared to sales in December 2017. The main reason was lower sales of Cu concentrate produced by the Robinson mine (due to the schedule of deliveries) and of cathodes produced by the Franke mine.
- **TPM sales amounted to 5.9 thousand troy ounces** and were lower by 1.1 thousand troy ounces (-16%) compared to sales in December 2017. Similarly as in the case of the volume of sales of payable copper, the main reason was the lower sales of Cu concentrate produced by the Robinson mine.
- **Sales of silver amounted to 0.8 tonnes** and were lower by 0.3 tonnes (-22%) compared to sales in December 2017, mainly due to the lower amount of payable silver in concentrate sold by the Robinson mine.
- **Sales of molybdenum amounted to 0.02 million pounds.** In December 2017 there were no sales of molybdenum concentrate by the Robinson mine.

Sierra Gorda (55%):

- **Sales of copper amounted to 6.6 thousand tonnes** and were higher by 1.6 thousand tonnes (+31%) compared to sales in December 2017, due to higher (by approx. 8.4 thousand tonnes dry weight) sales of copper concentrate.
- **Molybdenum sales amounted to 1.5 million pounds** and were lower by 0.9 million pounds (-37%) compared to sales in December 2017. Sales of molybdenum reflect the schedule of processing molybdenum concentrate and the return of molybdenum oxides designated for sale.
- **Sales of silver amounted to 1.8 tonnes** and were higher by 0.5 tonnes (+38%).
- **TPM sales amounted to 3.4 thousand troy ounces** and were higher by 1.3 thousand troy ounces (+57%).

The higher sales of silver and TPM, similarly as in the case of copper, were due to higher sales of copper concentrate in December 2018 compared to December 2017.

Production and sales of the KGHM Group	December 2018	December 2017	monthly change* yoy
Production			
Payable copper (kt)	57.7	48.3	19%
Payable silver (t)	122.1	122.0	-
TPM (koz t)	14.0	18.7	-25%
Molybdenum (mn lbs)	1.3	1.2	2%
Sales			
Copper (kt)	67.2	65.8	2%
Silver (t)	101.7	179.1	-43%
TPM (koz t)	16.9	17.7	-4%
Molybdenum (mn lbs)	1.5	2.4	-37%

Production and sales of KGHM Polska Miedź S.A.	December 2018 r.	December 2017 r.	monthly change* yoy
Mine production:			
Copper in concentrate (kt)	26.3	28.1	-6%
Silver in concentrate (t)	86.7	84.6	2%
Metallurgical production:			
Electrolytic copper (kt)	46.7	38.5	21%
- including from own concentrate	34.8	29.5	18%
Metallic silver (t)	121.0	120.8	-
TPM (koz t)	5.8	11.7	-50%
Sales			
Copper (kt)	53.5	51.6	4%
Silver (t)	99.1	176.7	-44%
TPM (koz t)	7.7	8.6	-11%

Production and sales of KGHM International	<i>December 2018 r.</i>	<i>December 2017 r.</i>	monthly change* yoy
Production			
Payable copper (kt)	6.4	5.2	22%
TPM (koz t)	5.9	5.0	17%
Molybdenum (mn lbs)	0.06	0.03	120%
Sales			
Copper (kt)	7.1	9.2	-22%
TPM (koz t)	5.9	7.0	-16%
Silver (t)	0.8	1.1	-22%
Molybdenum (mn lbs)	0.02	0.00	-

Production and sales of Sierra Gorda (on a 55% basis)	<i>December 2018 r.</i>	<i>December 2017 r.</i>	monthly change* yoy
Production			
Payable copper (kt)	4.6	4.6	-
Molybdenum (mn lbs)	1.2	1.2	-3%
Payable silver (t)	1.1	1.2	-8%
TPM (koz t)	2.3	2.0	16%
Sales			
Copper (kt)	6.6	5.0	31%
Molybdenum (mn lbs)	1.5	2.4	-37%
Silver (t)	1.8	1.3	38%
TPM (koz t)	3.4	2.1	57%

* percentage change on the basis of unrounded data